

Message Text

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PAGE 01 BUENOS 01172 202214Z

62

ACTION ARA-10

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P R 211936Z FEB 76
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E.O. 11652: N/A

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SUBJ: TENDER FOR HANDLING EQUIPMENT, DOCK COMPONENTS AND ELECTRIC
FURNACE FOR CONSTRUCTION OF IRON ORE REDUCTION PLANT WITH
CONTINUOUS FACILITIES. -- SPECIAL HANDLING

REF: A-01 JAN 6, 1976; BA 7512, OCT 8, 1974

1. SUMMARY. AFTER OBTAINING GOA APPROVAL FOR IDB PROJECT
FINANCING OF VILLA CONSTITUCION IRON ORE DIRECT REDUCTION PLANT,
ACINDAR S.A. HAS GONE AHEAD WITH PREQUALIFICATION PHASE OF BID
CONTEST FOR IDB FINANCED COMPONENTS. EMBASSY HAS LEARNED THAT
LATEST DEADLINE FOR FILING OF PRE-QUALIFICATION BIDS BY COMPANIES
INTERESTED IN SUPPLYING ITEMS UNDER THE IDB LOAN HAS BEEN SET BY
ACINDAR FOR MARCH 21, 1976, DESPITE EARLIER PUBLISHED DEADLINE
OF FEB 28TH, 1976. END SUMMARY.

2. IN A DECREE ISSUED JAN 23, 1976, GOA GAVE FINAL APPROVAL
TO VILLA CONSTITUCION IRON ORE DIRECT REDUCTION PLANT PROJECT OF
ACINDAR S.A. TO COMPLY WITH IDB POLICY REGARDING PARTICIPATION
BY MEMBER COUNTRIES IN BID CONTESTS, ACINDAR RECENTLY ADVISED
EMBASSY TO TAKE NOTE OF PUBLICATION OF "PROYECTO DE INTEGRACION:
ACINDAR S.A." IN THE JAN 1976 ISSUE OF REVISTA LATINOAMERICANA
DE SIDERURGIA. IN THIS PRESS RELEASE, SPECIAL REFERENCE IS MADE
TO IDB FINANCED COMPONENTS AND A TENTATIVE PROGRAM FOR CALLS
FOR INTERNATIONAL BIDS.

UNCLASSIFIED

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PAGE 02 BUENOS 01172 202214Z

3. THE ARTICLE STATES: 1) PARTICIPANTS IN THE BID CONTEST WILL BE

SELECTED BY ACINDAR WITH THE ADVICE OF BOYNTON ENGINEERS, INC., OF CHICAGO, III; AND 2) TO BE ELIGIBLE FOR SELECTION, COMPANIES MUST FILE BACKGROUND INFORMATION AND RESUME OF PREVIOUS ACTIVITIES BY FEB 28, 1976. EMBASSY HAS BEEN INFORMED THAT THIS "DEADLINE" HAS BEEN EXTENDED TILL MAR 31.

4. THE PURPOSE OF THIS PRE-EVALUATION PROCEDURE IS TO SELECT GROUPS OF THREE TO SEVEN FIRMS WITH PROVEN EXPERTISE TO BID ON PARTICULAR COMPONENTS OF THE PROJECT. TO FILE BACKGROUND INFORMATION, NO FORMAT IS SPECIFIED. HOWEVER, EMBASSY HAS BEEN INFORMED THAT AS A MINIMUM INTERESTED COMPANIES SHOULD INCLUDE:

1) FINANCIAL STATEMENT

2) LIST OF CUSTOMERS

3) RESUME OF PREVIOUS JOBS WITH RESPECT TO PARTICULAR COMPONENTS AS INDICATED BELOW IN PARA 5 AND BA-A-01

THIS MATERIAL AND ANY CORRESPONDENCE SHOULD BE SENT DIRECTLY TO ACINDAR S.A., UNIDAD EJECUTORA, PASEO COLON 357, BUENOS AIRES.

5. AS PREVIOUSLY REPORTED, THE VALUE OF IDB FINANCING IS ON THE ORDER OF US\$ 55 MILLION. A STAND-BY CREDIT AMOUNTING TO US\$ 15 MILLION BRINGS TOTAL TO US\$ 70 MILLION. A GENERAL PROJECT DESCRIPTION IS CONTAINED IN BUENOS AIRES A01 PRESS RELEASE MENTIONED IN PARA 2 MAY PROVIDE A MORE CURRENT VIEW OF PROJECT. THE FOLLOWING IS AN EXTRACT FROM THIS ARTICLE DESCRIBING ITEMS TO BE SUPPLIED UNDER THE TERMS OF THE IDB LOAN:

1) STEEL FOR STRUCTURES AND SIMILAR ITEMS
PILES FOR PORT - HEAVY AND LIGHT STRUCTURAL SHAPES AND OTHER EQUIPMENT.

2. LOADING AND UNLOADING EQUIPMENT-WEIGHING AND TRANSFERING OF MATERIALS
PORT UNLOADER-FRONT END LOADERS-AUTOMATIC HOISTS-TRUCKS TO TRANSPORT SCRAP AND OTHER ITEMS-HEAVY USE CONVEYORS FOR DIFFERENT PURPOSES-SCALES-CRANE BRIDGES FOR CASTING AND OTHER SERVICES-TRANSFER CARS FOR SCRAP LOADING
UNCLASSIFIED

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PAGE 03 BUENOS 01172 202214Z

LADLES-RAILWAY LOCOMOTIVES AND WAGONS FOR SPECIAL USE, ETC.

3) STEEL PLATE AND SIMILAR ITEMS
TO MANUFACTURE HOPPERS, SILOS, CONDUCTORS AND OTHER EQUIPMENT.

4) STEEL SHOP EQUIPMENT
HIGH ARC ELECTRIC FURNACES-SPECIAL REFRACTORIES-ELECTRODES FOR FURNACES-SPECIAL SLIDE VALVES, ETC.

5) DIFFERENT EQUIPMENT AND MATERIALS.

PIPELINES-VALVES-COMPRESSORS-SPECIAL LABORATORY EQUIPMENT-EQUIPMENT FOR WATER SUPPLY SYSTEM-EQUIPMENT FOR ELECTRIC STATIONS AND SUBSTATIONS-EQUIPMENT TO PRODUCE OXYGEN-WORK SHOP EQUIPMENT-SPARE PARTS, ETC.

6. EMBASSY IS POUCHING COPY OF "PROYECTOS DE INTEGRACION: ACINDAR S.A." AND CORRESPONDING FREE TRANSLATION.

7. COMMENT. IN VIEW OF ARGENTINA'S ONGOING FOREIGN EXCHANGE CRISIS AND THE UNAVAILABILITY OF EXPORT FINANCING FOR ARGENTINA IN THE UNITED STATES, THIS IDB FINANCED PROJECT PRESENTS ONE OF THE FEW CURRENTLY VIABLE EXPORT OPPORTUNITIES FOR US FIRMS IN ARGENTINA. IN VIEW OF CURRENT TROUBLES IN ARGENTINA AND NEGATIVE PUBLICITY ABOUT ARGENTINA, RECOMMEND USDOC GIVE THIS OPPORTUNITY SPECIAL HANDLING AND EMPHASIS TO ENSURE US MANUFACTURERS AWARE THAT FINANCING IS RPT IS AVAILABLE FROM IDB FOR THIS PROJECT. END COMMENT.

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